



The President's Daily Brief

24 July 1970

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

In his speech yesterday, Nasir publicly accepted the US peace proposals but indicated doubts about US and Israeli intentions. (Page 1)

The situation in Cambodia is discussed on Page 2.

Chile

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(Page 3)

Bonn is considering a substantial contribution as part of a proposed plan for NATO nations to ease the cost of US troops in Europe. (Page 4)

At Annex we examine the factors behind current developments in Bolivia.

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EGYPT

In his revolution anniversary speech yesterday, President Nasir publicly accepted the US peace proposals but indicated he has doubts concerning US and Israeli intentions. Nasir declared there was nothing new in the US proposals; they merely provided for the implementation of the November 1967 Security Council resolution which Cairo had already accepted. He said that the 1967 resolution provides for Israel's total withdrawal from all occupied Arab territories and also allows the Palestinians to obtain their rights in accordance with other UN resolutions. In any case, the Egyptian leader said, the US initiative was "little more than a process of procedures" which he does not think "will achieve anything new due to Israel's stand."

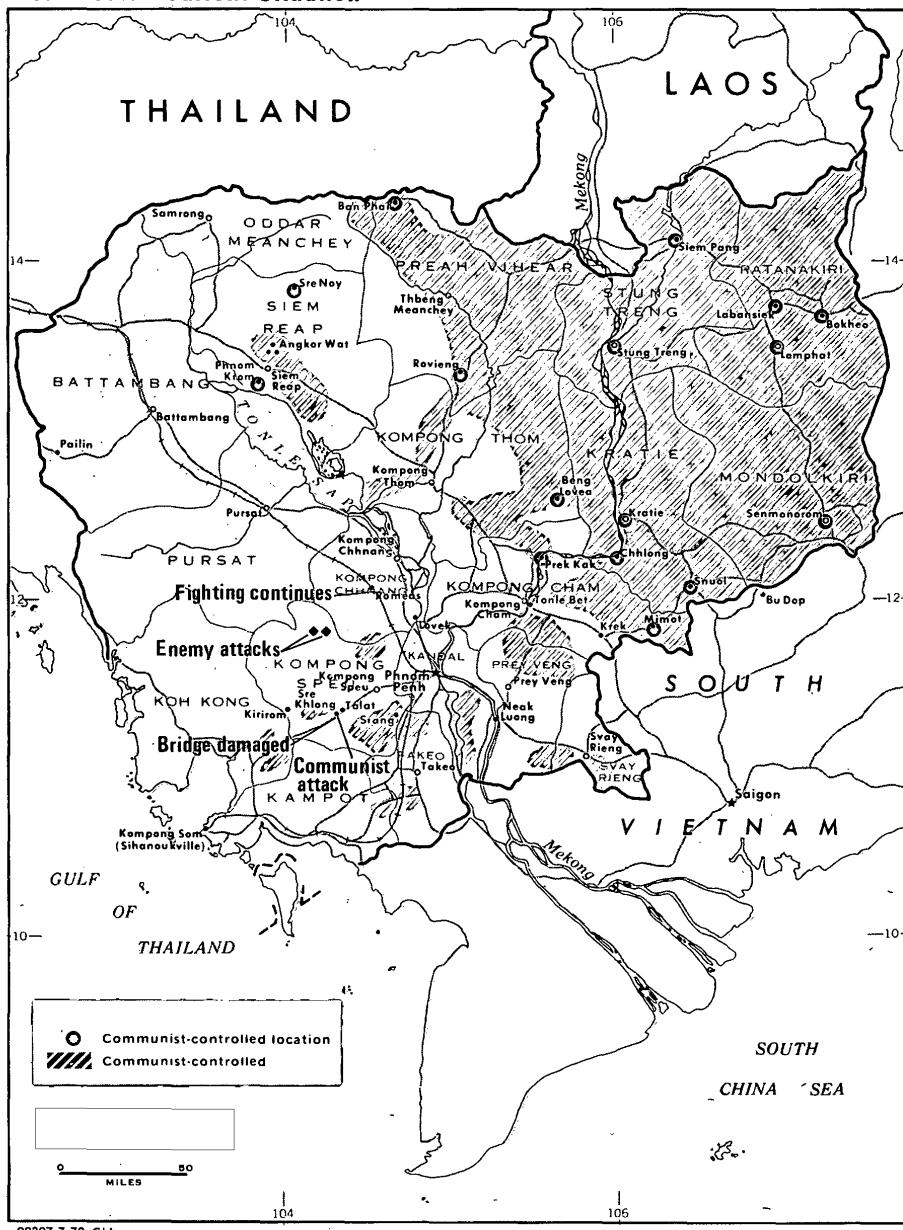
Nasir said he is not very optimistic concerning a Middle East settlement and believes that what has been taken by force can only be regained by force, but added that he is willing to see if political action could break the present Arab-Israeli impasse. Nasir said his doubts about the sincerity of the US are reinforced by the false US allegations that Cairo wants war merely for the sake of war, and that in any event Egypt would continue to build up its armed forces.

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Cambodia: Current Situation



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CAMBODIA

The government's military training base at Romeas in Kompong Chhnang Province was attacked again yesterday. The regional military commander has ordered two battalions--one a Khmer Krom battalion--to Romeas from Kompong Chhnang city.

New enemy attacks have also occurred in several areas of Kompong Speu Province.

counterattacking government reinforcements had driven Communist forces back from Sre Khlong, on Route 4 west of Kompong Speu city. Before withdrawing, the enemy force damaged a nearby bridge, disrupting truck traffic on Route 4. Enemy troops are still in the area

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The enemy also attacked several government positions in the northern reaches of Kompong Speu Province. Elements of a large column of Vietnamese and Cambodian Communist troops, which had moved south from Kompong Chhnang Province, attacked one outpost and were threatening another northwest of Kompong Speu city yesterday.

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Government forces at Kirirom apparently are still in contact with Communist troops.

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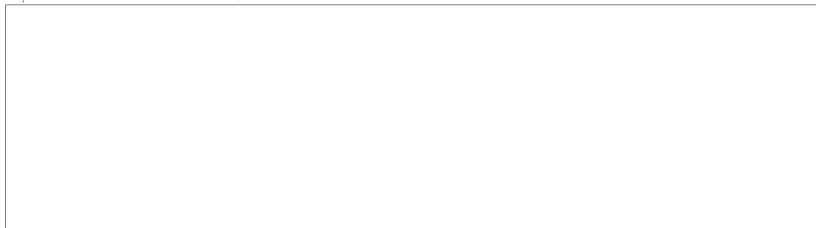
Lon Nol has told Charge Rives in Phnom Penh that he thought his talks with Thai leaders in Bangkok had gone extremely well. He did not specify any precise results, however. Restrained public comments by Thai leaders on their sessions with Lon Nol suggest Bangkok is still hewing to its cautious approach to the Cambodian situation.

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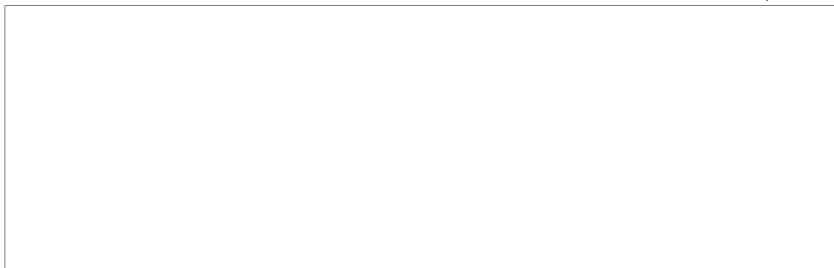
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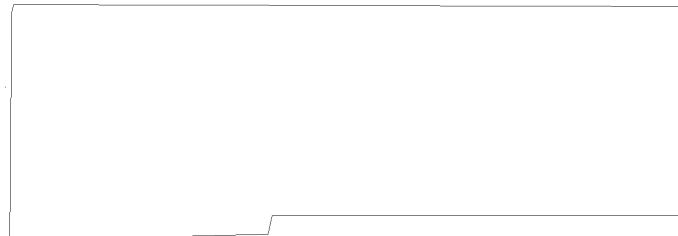
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NATO

Bonn's National Defense Council agreed on Tuesday that Germany should urge its allies to come up with a sizable offer to ease the cost of US troops in Europe. The proposed burden-sharing program would be multilateral and within the NATO context, but the Federal Republic is willing to shoulder half the cost.

The Germans have talked to the British about this approach, and both are now urging "unofficially" that the US give some indication of how large a contribution would be necessary to blunt congressional pressure for troop cuts. The Germans have stressed that the figure frequently mentioned in the press-- \$1 billion--would be out of the question

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The Germans also recognize that the proposed funds would be in addition to the balance-of-payments help involved in the bilateral offset agreements.

Strong domestic opposition to increases in defense spending can be expected in most European NATO countries. Bonn, however, believes that the multilateral cloak of the offer might help individual governments win approval for the budgetary increases.

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BOLIVIA

The Bolivian Government has moved from one crisis to another since General Ovando took over nearly ten months ago. The guerrilla raid last Sunday, disagreements between Ovando and his top military leaders, and increasing student and labor unrest have combined to pose the latest crisis.

Ovando came to power with the backing of moderate and conservative groups within the military and the peasant class. He set out to obtain the support of the basically leftist student and labor sectors by appointing well-known leftists to important posts in his government. The expropriation of the Bolivian Gulf Corporation, sparked by the newly appointed leftists, was a further move in this direction.

Ovando appealed to students and labor to support his "nationalist revolution," backing this up by allowing the reactivation of the old Bolivian Labor Central and the return to power of the old guard Marxist labor leadership that had been suppressed under the Barrientos government. Ovando's efforts, however, succeeded merely in neutralizing students and labor for a while, rather than convincing either group that he was a true revolutionary.

Within the government itself, Ovando's overtures toward the left have increasingly alienated moderates and conservatives in the military. Led by army commander Miranda and Interior Minister Ayoraa, military pressure finally succeeded in removing the recognized leader of the cabinet radicals, Minister of Mines Quiroga, and the left-leaning armed forces commander, General Torres.

The loss of the two leading leftists in the government, however, convinced students and labor that all that remained of Ovando's revolution was the rhetoric, and has led to open hostility to his government. Labor's objection to Ovando has increased because of a wage freeze that followed Gulf's nationalization.

Ovando has managed to retain his hold on power thus far by steering a careful course between the demands of the left and right and by compromising when necessary.

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Current military involvement with the guerrillas should keep Miranda occupied for a time. The National Liberation Army (ELN) is an offshoot of Che Guevara's old guerrilla force which--because of the basically unstable political situation in Bolivia--poses a greater threat than its numbers would indicate. The ELN has a hard core of perhaps 50 Cuban-trained guerrillas. Castro appears to have an almost obsessive interest in Bolivian guerrilla operations--stemming probably from Che Guevara's death there--but there is no evidence of direct Cuban support for the ELN's recent activities.

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